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C O N F I D E N T I A L SECTION 01 OF 03 BAKU 000914

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TAGS: [PREL](#) [PGOV](#) [ENRG](#) [AJ](#)

SUBJECT: PRESIDENT ALIYEV: REGIONAL ENVIRONMENT
"DANGEROUS" AZERBAIJAN IS "ALONE"

REF: A. BAKU 893

[1](#)B. BAKU 873

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Classified By: Ambassador Anne E. Derse for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: President Aliyev presented a sober view of the impact of regional developments on Azerbaijan's key interests to EUR DAS Matthew Bryza on September 18. He repeated his longstanding contention that Azerbaijan is "alone" in facing serious regional pressures, underscoring again that "Azerbaijan has always sought to obtain a higher level of cooperation from the US," especially on security. He strongly welcomed the suggestion that the US and Azerbaijan begin "new consultations on security in the strategic sense" to define shared needs and new forms of cooperation to address them. Aliyev had harsh words for Georgia, Turkmenistan and Turkey, each "playing its own game." Despite seeing many new "obstacles" to strategic energy projects following the Russian invasion, Aliyev pressed for continued diplomatic engagement, particularly with Turkey, to further oil and gas production and transport along the Southern Corridor. He was optimistic about new opportunities to pursue a resolution to the Nagorno-Karabakh conflict (NODIS BIRCH septel). Assistance to Georgia, which could include natural gas this winter, will continue, Aliyev confirmed. End Summary.

[1](#)2. (C) President Aliyev welcomed DAS Matt Bryza, who was joined by Ambassador Derse, to Baku September 18, with a sober and comprehensive overview of his thinking on regional security issues in the aftermath of the Russia-Georgia conflict. The President, who had visited Moscow earlier in the week, was encouraged by DAS Bryza's statement that Washington is ready "at the highest levels" to expand and accelerate cooperation with Azerbaijan. A higher level of engagement, particularly on security and energy, Bryza said, is timely and necessary. President Aliyev agreed, saying bluntly that that "a lot of obstacles" have emerged following the Russian invasion that are "damaging" to efforts of the past decade to bolster Azerbaijan's security and independence and build the Southern Corridor. Azerbaijan is "alone" in grappling with these developments, Aliyev asserted.

Georgia: "Absolutely Irritated"

[1](#)3. (C) The President, pointing directly to Georgia, Turkey, and Europe, lamented that "all those we considered partners

and friends are damaging our interests...playing their own games." By engaging in conflict with Russia, Aliyev said, the Georgians had "ruined their country," and "damaged ten years worth of Azerbaijan's work" in the neighborhood. He said Georgia had "blackmailed us" during negotiations over the Baku-Tbilisi-Ceyhan (BTC) pipeline, mainly on ecological issues. "Georgia has never done anything serious," the President said. "They just have a good location...they created this mess, without US and EU support Russia would be in Tbilisi. Putin told me that they were 15 kilometers from Tbilisi and could have ousted Saakashvili as the US ousted Saddam."

14. (C) The President explained that at the outbreak of hostilities in Georgia, "the Georgians approached Azerbaijan to broaden the war," calling Russia's invasion "a war against democracy." Azerbaijan declined, the President said. He noted that Azerbaijan has large investments in Georgia, including the Kulevi terminal on the Black Sea. Baku's infrastructure was not damaged during the conflict, Aliyev said, "because of our balanced relations with Moscow." The President said that he had intervened with Moscow during the crisis to ward off attacks on Azerbaijan's Georgian assets. The Russians, he said, "could have done anything they wanted. The only positive story in the Caucasus" at present is "Azerbaijan's role as a stabilizer."

15. (C) Despite his harsh assessment of President Saakashvili, Aliyev stated that Azerbaijan's assistance to Georgia would continue. He repeated that the GOAJ was the first foreign government to provide assistance to Tbilisi. Other regional governments, such as Kazakhstan, had followed Moscow's lead in directing assistance to Tskhinvali. Azerbaijan, however, had sent aid directly to Tbilisi. He suggested that, should

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a winter gas crisis emerge, Azerbaijan, despite its own demands, would be prepared to assist Georgia.

Turkmenistan: "Everyone is Lying"

16. (C) President Aliyev likewise did not have a positive message on Turkmenistan. Ashgabat, he said, continues mysterious efforts to sue Azerbaijan over rights to the Azeri-Chirag-Guneshli (ACG) oil field, which, under BP's operation, are producing nearly one million barrels of oil per day for export through BTC. Azerbaijan has tried to mend relations with Ashgabat, but with marginal results. At the recent joint Azerbaijan-Turkmenistan oil and gas conference in Baku, Turkmenistan's First Deputy Prime Minister Tachberdi Tagiyev, despite being listed as head of delegation, did not show. "Turkmenistan has never been our friend," the President noted. Nonetheless, the President held out hopes for a breakthrough on cross-Caspian natural gas links, showing familiarity with plans by SOCAR to work with TurkmenNefteGaz on offshore production and transport.

Turkey: Which Side Are They On?

17. (C) Aliyev suggested that Turkey, too, is "taking advantage of the situation, with the "Russian-Turkish" (platform) proposal and maneuvers with Armenia. Ankara's chief objective these days seems to be "to create obstacles." Reviewing the Turks' demand for 8 billion cubic meters of Shah Deniz Phase II (ref a), the President acerbically asked DAS Bryza "to find out whose allies the Turks are: the US, the US and Russia's, or Russia's more than the US." Aliyev said that many things had changed in Turkey's positions even before the war in Georgia and are only becoming more public now. The 8 bcm demand is untenable, he said, and creates a great barrier to Azerbaijan's plans to sell and transport natural gas to Europe.

18. (C) Stating that Azerbaijan's current proposal to Turkey

on gas supply is "maybe not perfect, but a good proposal," he told Bryza that if Turkey continues in its current position it could lead to Azerbaijan deciding not to sanction Shah Deniz II. He noted that, during PM Erdogan's recent visit to Baku, he had raised the suggestion of Ankara working with Ashgabat, in conjunction with a 1996 bilateral agreement, to purchase Turkmenistan's gas, and was pleased that Erdogan took up the suggestion. However, this topic, the President said, also had come up in Moscow, with President Medvedev insisting that "all of Turkmenistan's gas is already promised to Russia."

¶9. (C) Aliyev told Bryza that in addition to problems with Turkey, Turkmenistan, and Georgia, the crisis in Georgia had raised questions about the viability of existing pipelines, strengthened Russia's position in the region, set a precedent for recognition of separatist republics in the Caucasus and imposed important economic costs on Azerbaijan. Taken together, these events have "created danger" for Azerbaijan. He argued that the situation was "more serious than it seemed," especially given the reinforcement of Russia's position and exacerbation of tensions in countries like Georgia and Turkey which are key to moving energy projects forward. Russia, he noted, has now signed a gas agreement with Uzbekistan. In this climate, Azerbaijan has to take steps to "minimize risks."

Bryza Reassures

¶10. (C) DAS Bryza assured President Aliyev that "top levels of the United States Government" are intensely aware of what is at stake in the region. Azerbaijan, he said, is a country of prime concern, with a strong track record of cooperation on security and energy issues. Vice President Cheney's visit was the first step in the USG's efforts to heighten and expand cooperation with Baku. Additional high level visits will follow, with the USG providing concrete proposals to deepen and expand the relationship and improve security and stability in the region. The US is interested in "new consultations on security in a strategic sense," to explore and define together what is needed and what is possible from

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both Azerbaijan's and the U.S. point of view. Possible areas to explore could include a security pledge, intensified work on Qabala, Nasosnoya airbase, Azerbaijan's NATO efforts, and a train and equip program.

Aliyev Endorses

¶11. (C) Aliyev replied that there are "good grounds" for discussion on these issues. Azerbaijan "has always been trying to get a higher level of cooperation from the U.S." The level of cooperation "depends on you, not on us." Repeating a message that he and his ministers have delivered for months (ref b), Aliyev stated that Azerbaijan must be equipped to defend itself, and wants greater access to U.S. weapons and training. Arms purchases, he said, should be a major topic for the U.S. and Azerbaijan in the context of security cooperation. This is particularly important, he emphasized, given recent events in the Caucasus and Azerbaijan's review of its own security needs.

¶12. (C) Aliyev argued that in contrast to others in the neighborhood, Azerbaijan has a good track record over the last decade on military engagement. "Georgia, even Middle Eastern countries like Egypt can buy U.S. weapons," he said, but Azerbaijan faces Section 907 and U.S. Congressional "parity" issues. "It's a matter of access as a strategic partner and a friend," Aliyev said. Azerbaijan has had to go so far as to ask to buy weapons from Russia and Belarus. "We'd never ask if we had U.S. access," he stated. Bryza agreed that Azerbaijan has legitimate defense needs and that the issue should be explored.

¶13. (C) Alluding to recent tensions in the relationship stemming from USG comments that Aliyev believed compared Azerbaijan unfavorably to Armenia on democratic development, Aliyev said he hopes that in the wake of the Georgian crisis there will be new US assessments of the region based on the "behavior of countries," and not on "stereotypes and classifications...I hope they no longer exist as a result of this tragedy." He said the current balance of influence in the region was not favorable to the U.S., because "people are judging from the fact that Georgia was close to the US and Russia did whatever they wished, no one defended them." Kazakhstan is behaving strangely and Ukraine is teetering. "If Ukraine fails, it is a problem for all of us, Ukraine is the last counterforce." The "balance of forces" in the region needs to be restored, he said.

Comment

¶14. (C) Regional developments clearly have heightened Aliyev's oft-voiced sense that Azerbaijan is "alone" in the face of strong regional pressure, as well as strengthening his longstanding desire for intensified cooperation with the US, particularly on security. Increased tensions have also reinforced, in his view, the urgency of finding a solution to Nagorno Karabakh (septel), and to redoubling efforts to advance strategic energy projects in the face of new obstacles. Despite his grim assessment of the new dangers in the region, his reaction -- that Azerbaijan seeks greater engagement with US and redoubled efforts to support the Southern Energy Corridor and solve Nagorno Karabakh -- is positive. We need to follow up with serious, concrete proposals to underscore U.S. commitment to engage, including to allay, to the extent possible, Azerbaijan's security concerns, and to ensure Azerbaijan's continued strong cooperation to resolve Nagorno Karabakh and build the Southern Corridor.

¶15. (SBU) DAS Bryza did not/not have an opportunity to clear this cable.

DERSE